

billion. Now we see those levels being challenged in this year and perhaps next as well.

The result of these massive deficits is this President has built a wall of debt that is unprecedented. When President Bush came into office in 2000, the debt at the end of his first year—we do not hold him responsible for his first year because he is working on the budget he inherited—the debt stood at \$5.8 trillion. At the end of last year, the debt had reached over \$9 trillion. And by the end of 2009, which will be for the 8 years for which he is responsible, we will see the debt will have risen to over \$10 trillion. This President will almost have doubled the debt of the United States in just 8 years.

Not only will he have almost doubled the debt of the country, the gross debt, all of the money we owe, but he will also have more than doubled what we owe to foreign nations. It took 42 Presidents, all the Presidents pictured here, 224 years to run up a \$1 trillion of U.S. debt held abroad. This President has more than doubled that amount—much more than doubled that amount—in just 7 years. The result of that is we now owe Japan almost \$600 billion. We owe China almost \$500 billion. We owe the United Kingdom over \$150 billion. We owe the oil exporters almost \$140 billion, and so it goes.

That is a warning sign to all of us about the fiscal condition of our country. The long-term projections are sobering as well. Partly as a result of this tremendous buildup of debt, the value of the dollar has shrunk rather dramatically. This chart shows the dollar against the Euro. It has gone down 40 percent since 2002. Anybody who has traveled has seen that in what they buy abroad. We see it in the prices of goods that are being imported. We also see it in terms of the kinds of reactions we are getting in the marketplace to further American indebtedness. We are hearing warnings from people who are saying: United States, you have to get your fiscal house in order. You cannot keep running up these massive debts and deficits.

We see that during this period of the Bush administration that economic growth has lagged previous recoveries. We have gone back and looked at all of the major recoveries since World War II. There have been nine previous recoveries. At the same point in the business cycle, the economy had typically grown at an average pace of 3.4 percent a year during those previous recoveries.

Look at what is happening here. In this recovery, the average GDP growth is only 2.5 percent, well short of what we have seen at the same point in previous economic cycles.

Now we have a new element to consider, and that is a housing slump with new home building falling dramatically. We have seen this pattern which comes to us from the Census Bureau, U.S. Department of Commerce. This is monthly data through January 2008.

These are housing starts in millions of units, and we can see that housing starts have plunged, and plunged dramatically. We also have word that inventories of unsold homes are growing, and growing dramatically; that foreclosures are running at a very alarming rate. And all of this signals trouble in the economy.

There are other indicators as well. If we look at business investment in this economic period versus what we have seen in the nine previous recoveries since World War II, that growth of business investment is lagging in this business cycle by 52 percent. That should tell us there is something amiss in the economic policy of this administration. Something is not working. Certainly by comparison with previous business cycles, the nine significant business cycles since World War II, this one is showing much more weakness than the previous nine.

That is also true in job creation. If we look at the nine previous business cycles—that is the dotted red line on this chart, and this business cycle is the black line—we are now 9.6 million private sector jobs short of the typical business cycle, going all the way back to World War II.

There are a lot of alarm bells that are ringing, warning signs to which we need to pay attention and need to respond to in a budget. We have seen real median household income decline by almost \$1,000 under President Bush, from \$49,163 in 2000 to just over \$48,000 in 2006, the last year for which we have complete statistics.

Mr. President, these numbers cry out for a response. And the first way that we respond is in a budget because the budget sets the policy priorities for the coming year. And we have attempted to do that in this budget by emphasizing strengthening the economy and creating jobs by doing the following: investing in energy, education, and infrastructure.

Those are the top three priorities to help strengthen the economy. Invest in energy. Why? To reduce our dependence on foreign oil. We are now spending \$1 billion a day buying foreign oil. How much better off would our country be, how much stronger would the economy be if we were generating our own energy rather than importing it from around the world?

So part of this budget is designed to reduce our dependence on foreign energy and to strengthen our education and our job training because if we are not the best educated and best trained, we are not going to command the strongest economy for very long.

Also, to build our infrastructure. We all remember the incredible sight of the 35-W bridge collapsing last year. I think we all recognize that our airports, our rail lines, our highways and bridges need serious investment if we are going to be competitive globally.

We also need to expand health coverage for our children, provide tax cuts for the middle class, and restore fiscal

responsibility by balancing the budget in 4 years and maintaining balance in the fifth.

Mr. President, we also want to make America safer by supporting the troops, by providing for veterans health care, by protecting the homeland, and rejecting the President's cuts in law enforcement. For example, he eliminates the COPS Program. He cuts first responders' grants by 78 percent. We don't think that makes sense, and we reject those cuts in this budget.

Mr. President, we now anticipate that economic growth is going to slow sharply in this year. We can see it all around us—more job layoffs announced today, dramatic slowing of the economy. Economists today are saying they believe our country is already in recession. Of course, we will not know for several months, but it has all the appearance of a reduction in economic growth. The Congressional Budget Office is forecasting for this year an economic growth of only 1.6 percent, down from the 2.5 percent pace over the course of 2007 and 2.6 percent in 2006.

And, by the way, these were already weak economic growth numbers. 2006 was weak, 2007 was weak, and CBO is expecting even weaker growth in 2008. So in this budget resolution we provide for a second stimulus package. We have already had one stimulus package to try to increase aggregate demand in the economy, to give a lift. We believe it is prudent to provide the room in the budget for a second stimulus package, some \$35 billion of standby authority, so if this economy does continue to shed jobs and to weaken that we are prepared to respond and prepared to respond in these ways:

Housing relief. We have legislation on the floor now to provide relief for what is happening in the housing market. That package is a \$16 billion or \$17 billion package that could be accommodated in this \$35 billion of standby stimulus relief.

Also, we may need to extend unemployment insurance and provide for additional funding for food stamps or perhaps State fiscal relief. We know 21 of the States are increasingly in difficult financial straits, so we may need to extend some relief to them.

This budget also provides room for additional funding for low-income heating assistance and the WIC Program, the women, infant, and children's feeding program, and/or infrastructure spending in 2008.

When we did the last stimulus program, we asked the agencies of the Government if they had construction projects that were ready to go—where the engineering has been done, the design has been done, the land acquisition is finished—and all they need is money to begin construction and to begin hiring people. And they told us, yes, they do have projects like that. So we have provided for taking up some of those projects as part of the stimulus package.

Why? Because we know in road building, highway construction, and bridge